

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WISCONSIN

In re:

JENNIFER McKINNEY AND
ISRAEL McKINNEY

Case No. 22-11558
Chapter 13
Hon. Rachel M Blise

Debtors.

**STIPULATION RESOLVING UNITED STATES' OBJECTION TO DEBTORS' USE
OF SALE PROCEEDS TO PURCHASE REPLACEMENT VEHICLE AND
ALLOWING OFFSET OF ENTIRE 2022 TAX REFUND OF ISRAEL MCKINNEY**

The United States of America, on behalf of the Internal Revenue Service (IRS), and the Debtors Jennifer and Israel McKinney, through their respective counsel, have resolved the IRS's objection to the Debtors' proposed use of proceeds from the anticipated sale of a 2015 Land Rover. ECF Nos. 103, 111. *Id.* at 1-2. Consistent with that resolution, the parties stipulate to the following terms:

1. The Debtors may sell the 2015 Land Rover for \$7,000 and use the sale proceeds (plus \$2,290) to purchase a replacement vehicle, specifically a 2007 Subaru Impreza (VIN JF1GD61677H511005), for a total of \$9,290.
2. In return for the IRS withdrawing its objection to the Debtors' use of the sale proceeds, the Debtors agree to the following:
 - a. The IRS will have a first position lien on the 2007 Subaru Impreza that the Debtors will purchase with the 2015 Land Rover sale proceeds.
 - b. The Debtors agree that the IRS may offset Israel McKinney's entire 2022 tax refund, totaling \$12,059. The IRS had requested, via motion on

February 23, 2023, to be allowed to offset a portion of Mr. McKinney's 2022 tax refund. ECF No. 97. The Debtors did not object to that motion and now agree that the IRS can offset the entire tax refund and apply it to the Debtors' joint prepetition income tax liabilities as the IRS determines appropriate (which application shall not require reduction in the IRS's secured claim in this case because the tax overpayment was not factored into the secured claim amount under § 506(a)).

3. The Court may enter an order consistent with the above terms.

Dated this 6th day of April, 2023.

TIMOTHY M. O'SHEA
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By:

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Dated this 6th day of April, 2023.

Debtors Jennifer and Israel McKinney

By:

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